1	HEALTH INSURANCE COVERAGE FOR
2	DEPENDENTS
3	2004 GENERAL SESSION
4	STATE OF UTAH
5	Sponsor: Judy Ann Buffmire
6 7	LONG TITLE
8	General Description:
9	This bill amends the Insurance Code and clarifies the duties of a Health Maintenance
10	Organization when a court orders a noncustodial parent to provide health insurance.
11	Highlighted Provisions:
12	This bill:
13	 requires a health maintenance organization to allow a child who lives outside the
14	organization's service area to enroll in a health plan if the enrollee parent is ordered
15	by a court to provide health insurance;
16	 requires a health maintenance organization to pay claims submitted by the
17	out-of-area child in the same manner as the organization pays under a noncapitated
18	arrangement; and
19	 provides certain circumstances in which a health maintenance organization does not
20	have to allow the out-of-area child to enroll in the plan.
21	Monies Appropriated in this Bill:
22	None
23	Other Special Clauses:
24	ĥ [This bill takes effect on July 1, 2004.] NONE ĥ
25	Utah Code Sections Affected:
26	ENACTS:
27	31A-8-502 , Utah Code Annotated 1953



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29	Be it enacted by the Legislature of the state of Utah:
30	Section 1. Section 31A-8-502 is enacted to read:
31	31A-8-502. Court ordered coverage for minor children who reside outside the
32	service area.
33	(1) (a) The requirements of Subsection (2) apply to a health maintenance organization
34	if the health maintenance organization plan:
35	(i) restricts coverage for nonemergency services to services provided by contracted
36	providers within the organization's service area; and
37	(ii) does not h [include a point of service benefit subject to Section 31A-8-408.] OFFER A
37a	BENEFIT THAT PERMITS MEMBERS THE OPTION OF OBTAINING COVERED SERVICES FROM A
37b	NON-CONTRACTED PROVIDER. ĥ
38	(b) The requirements of Subsection (2) do not apply to a health maintenance
39	organization if:
40	(i) the child that is the subject of a court or administrative support order is over the age
41	of 18 and is no longer enrolled in high school; or
42	(ii) a parent's employer offers the parent a choice to select health insurance coverage
43	that is not a health maintenance organization plan either at the time of the court or
44	administrative support order, or at a subsequent open enrollment period. This exemption from
45	Subsection (2) applies even if the parent ultimately chooses the health maintenance
46	organization plan.
47	(2) If a parent is required by a court or administrative support order to provide health
48	insurance coverage for a child who resides outside of a health maintenance organization's
49	service area, the health maintenance organization shall:
50	(a) comply with the provisions of Section 31A-22-610.5;
51	(b) allow the enrollee parent to enroll the child on the organization plan;
52	(c) pay for otherwise covered health care services rendered to the child outside of the
53	service area by a noncontracted provider:
54	(i) if the child, noncustodial parent, or custodial parent has complied with prior
55	authorization or utilization review otherwise required by the organization; and
56	(ii) in an amount equal to the dollar amount the organization pays under a noncapitated
57	arrangement for comparable services to a contracting provider in the same class of health care
58	providers as the provider who rendered the services; and

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59	(d) make payments on claims submitted in accordance with Subsection (2)(c) directly
60	to the provider, custodial parent, $\hat{\mathbf{h}}$ THE CHILD WHO OBTAINED BENEFITS, $\hat{\mathbf{h}}$ or state Medicaid
60a	agency.
61	(3) (a) The parents of the child who is the subject of the court or administrative support
62	order are responsible for any charges billed by the provider in excess of those paid by the
63	organization.
64	(b) This section does not affect any court or administrative order regarding the
65	responsibilities between the parents to pay any medical expenses not covered by accident and
66	health insurance or a health maintenance organization plan.
67	(4) The commissioner shall adopt rules as necessary to administer this section and
68	Section 31A-22-610.5.
69	ĥ [Section 2. Effective date.
70	This bill takes effect on July 1, 2004.] h

Legislative Review Note as of 11-14-03 10:33 AM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

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Office of Legislative Research and General Counsel

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State Impact

No fiscal impact.

Individual and Business Impact

Individual and business impacts will vary according to circumstances.

Office of the Legislative Fiscal Analyst